

Schedule A

UNION ELECTRIC COMPANY
REVENUE DEFICIENCY
(\$000)

	(1) Company Position	Adjustments		Proposed Position
Rate Base	\$ 16,844	\$ (2,371)	(2)	\$ 14,473
Rate of Return	<u>10.029%</u>	<u>-1.267%</u>	(3)	<u>8.762%</u>
Operating Income Requirement	1,689			1,268
Adjusted Operating Income	<u>(975)</u>	<u>1,118</u>	(4)	<u>143</u>
Income Deficiency	2,664	(1,118)		1,125
Gross Revenue Conversion Factor	<u>1.6930</u>	<u>(0.0200)</u>	(5)	<u>1.6730</u>
Revenue Deficiency	<u>\$ 3.772</u>	<u>\$ (1.890)</u>		<u>\$ 1.882</u>

Sources:

(1)	UE Schedule A-3		
(2)	Schedule B		
(3)	Schedule D		
(4)	Schedule C		
(5)	Revenue		1.0000
	Uncollectible Accounts	AG-3.11	<u>0.0080</u>
	Net Revenue		0.9920
	State Income Tax	7.3%	<u>0.0724</u>
	Income before FIT		0.9196
	Federal Income Taxes	35%	<u>0.3219</u>
	Net Income		0.5977
	Gross Revenue Conversion Factor		<u>1.6730</u>

Schedule B

UNION ELECTRIC COMPANY
RATE BASE
(\$000)

	(1) Company <u>Position</u>	<u>Adjustments</u>		Proposed <u>Position</u>
Gross Utility Plant in Service	\$ 32,088	\$ (1,420)	(2)	\$ 30,668
Reserve for Accumulated Depreciation	<u>(15,977)</u>	<u>(53)</u>	(2)	<u>(16,030)</u>
Net Utility Plant in Service	16,111	(1,473)		14,638
Materials and Supplies	47			47
Gas Stored Underground	1,703			1,703
Cash Working Capital Allowance	928	(557)	(3)	371
Customer Advances for Construction	(147)			(147)
Customer Deposits	(51)			(51)
Pre-1971 ITC's	(13)			(13)
Accumulated Deferred Income Taxes	<u>(1,734)</u>	<u>(341)</u>	(4)	<u>(2,075)</u>
Net Rate Base	<u>\$ 16.844</u>	<u>\$ (2.371)</u>		<u>\$ 14.473</u>

Sources:

- (1) UE Schedule B-1
- (2) Schedule B-1
- (3) Schedule B-2
- (4) Schedule B-3

Schedule B-1

UNION ELECTRIC COMPANY
PLANT IN SERVICE ADJUSTMENT
(\$000)

Proposed Pro Forma Distribution Plant	(1)	\$ 27,587
Company Pro Forma Distribution Plant	(2)	<u>29,007</u>
Adjustment to Pro Forma Plant in Service		<u>\$ (1,420)</u>

Proposed Pro Forma Depreciation Reserve on Distribution Plant	(1)	\$ 14,041
Company Pro Forma Depreciation Reserve on Distribution Plant	(3)	<u>13,988</u>
Adjustment to Depreciation Reserve		<u>\$ 53</u>

Adjustment to Distribution Plant		\$ (1,420)
Composite Depreciation Rate	(4)	<u>2.42%</u>
Adjustment to Depreciation Expense		<u>\$ (34)</u>

Sources:

- (1) Response to AG Data Request 3.3
- (2) UE Schedule B-2
- (3) UE Schedule B-3
- (4) UE Schedules C-3.16, B-2 56/2314

Schedule B-2

UNION ELECTRIC COMPANY
CASH WORKING CAPITAL
(\$000)

PGA Revenues	(1)	\$ 9,852
Lag Days	(1)	40.16
Cash Working Capital Factor	(2)	0.11003
Cash Working Capital Requirement - PGA Revenues	(3)	1,084
Cash Working Capital Requirement - per Company	(1)	<u>1,641</u>
Adjustment to Cash Working Capital Requirement		<u>\$ (557)</u>

Sources:

- (1) UE Schedule B-5.2
- (2) Lag Days / 365
- (3) Cash Working Capital Factor X PGA Revenues

Schedule B-3

UNION ELECTRIC COMPANY
ACCUMULATED DEFERRED INCOME TAXES
(\$000)

Adjustments to Accumulated Deferred Income Taxes

Pension Expense	\$ 13
Vacation Pay Adjustment	51
Environmental Cleanup Cost	<u>277</u>
Total Adjustments to Accumulated Deferred Income Taxes	<u>\$ 341</u>

Source: UE Schedule B-5.6

Schedule C

UNION ELECTRIC COMPANY
OPERATING INCOME
(\$000)

	(1) Company Position	<u>Adjustments</u>		<u>Proposed Position</u>
Operating Revenue	\$ 5,134			\$ 5,134
Operation and Maintenance Expense	5,395	(1,057)	(2)	4,338
Depreciation and Amortization	756	(34)	(3)	721
Taxes other than Income Taxes	181	(7)	(4)	174
Current Income Taxes	<u>(222)</u>	<u>(20)</u>	(5)	<u>(242)</u>
Total Operating Expenses	<u>6,109</u>	<u>(1,118)</u>		<u>4,991</u>
Adjusted Operating Income	<u>\$ (975)</u>	<u>\$ 1,118</u>		<u>\$ 143</u>

Sources:

- (1) UE Schedule C-2
- (2) Schedule C-1
- (3) Schedule B-1
- (4) Schedule C-2
- (5) Schedule C-3

Schedule C-1

UNION ELECTRIC COMPANY
OPERATION AND MAINTENANCE EXPENSE
(\$000)

Summary of Adjustments to UE O&M Expense

Uncollectible Accounts Expense	(1)	\$ (275)
	(2)	
Incentive Compensation	(3)	
Early Retirement Program	(4)	
Pensions and Benefits Expense		
OPEB Accrual (SFAS 106)	(5)	(153)
Pension Expense (SFAS 87)	(5)	(156)
Meter Reading	(6)	(81)
Customer Records & Collection	(7)	(130)
Rate Case Expense	(8)	<u>(71)</u>
Total Adjustment to Operation and Maintenance Expense		<u>\$ (1,057)</u>

Sources:

(1)	Total Revenues	15,496	UE WPC-3.20b
	Net Write-off Rate	<u>0.8000%</u>	Schedule A
	Uncollectible Accounts Expense	124	
	Uncollectible Accounts Expense, per UE	<u>399</u>	Staff DR UE-027
	Adjustment	<u>(275)</u>	
(2)	UE Workpaper WPC-3.7c		
(3)	UE Workpaper WPC-3.7b,c		
(4)	Staff DR CIPS-069, Supp., Docket No. 03-0008		
(5)	Workpaper WPC-2		
(6)	Staff DR UE-008	(19+78+78+223)/4-180	
(7)	Staff DR UE-008	(49+38+31+179)/4-204	
(8)	Rate Case Cost - CIPS+UE	474	UE Schedule C-11
	Allocation to UE	8.71%	41
	Amortization Period	<u>5</u>	Proposed Rate Base
	Annual Amortization	8	See Testimony
	UE Amortization	<u>79</u>	UE Schedule C-11
	Adjustment	<u>(71)</u>	

Schedule C-2

UNION ELECTRIC COMPANY
TAXES OTHER THAN INCOME TAXES
(\$000)

Adjustment to Wages and Salaries	(1)	\$	(93)
FICA Tax Rate	(2)		<u>7.65%</u>
Adjustment to Payroll Taxes		\$	<u>(7)</u>

Sources:

- (1) Schedule C-2
- (2) Statutory Rate

Schedule C-3

UNION ELECTRIC COMPANY
INCOME TAXES
(\$000)

Adjustments to Taxable Income:

Revenue	(1)	\$ -
Operation and Maintenance Expense	(1)	(1,057)
Depreciation and Amortization	(1)	(34)
Taxes other than Income Taxes	(1)	(7)
Interest	(2)	<u>(52)</u>
Adjustment to Expenses		(1,151)
Adjustment to Taxable Income from Above Adjustments		1,151
Taxable Income Before Adjustments	(3)	<u>(1,097)</u>
Net Adjustment to Taxable Income		54
Illinois Income Tax Rate		<u>7.30%</u>
Adjustment to Illinois Income Tax		<u>4</u>
Adjustment to Federal Taxable Income		50
Federal Income Tax Rate		<u>35%</u>
Adjustment to Federal Income Tax		<u>18</u>
Total Adjustment to Current Income Taxes		\$ 21
Adjustment to Deferred Income Taxes	(4)	<u>(41)</u>
Total Adjustment to Income Taxes		<u>\$ (20)</u>

Sources:

(1)	Schedule C		
(2)	Rate Base	14,473	Schedule B
	Weighted Debt Cost	<u>2.20%</u>	Schedule D
	Interest Deduction	319	
	Company Interest Deduction	<u>371</u>	UE Schedule C-6
	Adjustment	<u>(52)</u>	
(3)	UE Schedule C-6		
(4)	Deferred Taxes A/C 282 per Support	(68)	AG-3.8
	Deferred Taxes A/C 282 per UE C-6	<u>(27)</u>	
	Difference	<u>(41)</u>	

Schedule D

UNION ELECTRIC COMPANY
RATE OF RETURN
(\$000)

Company Position

	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	37.09%	5.94%	2.204%
Preferred Stock	2.59%	5.19%	0.135%
Common Equity	<u>60.31%</u>	12.75%	<u>7.690%</u>
Total Capital	<u>100.00%</u>		<u>10.029%</u>

Proposed Position

	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	37.09%	5.94%	2.204%
Preferred Stock	2.59%	5.19%	0.135%
Common Equity	<u>60.31%</u>	10.65%	<u>6.423%</u>
Total Capital	<u>100.00%</u>		<u>8.762%</u>

Sources: UE Schedule D-1
Docket No. ICC 98-0546, Order at 10

Workpaper
WPC-2UNION ELECTRIC COMPANY
PENSION AND BENEFITS ADJUSTMENT WORKPAPER
(\$000)

OPEB Allocated to UE Gas	(1)		548
Charged to O&M	(2)	82.36%	451
Pro Forma O&M Expense, per CIPS	(3)		<u>604</u>
Adjustment to CIPS O&M			<u>(153)</u>

Pension Cost Allocated to CIPS Gas	(1)		101
Charged to O&M	(2)	82.36%	83
Pro Forma O&M Expense, per CIPS	(4)		<u>239</u>
Adjustment to CIPS O&M			<u>(156)</u>

Sources:

- (1) Response to AG-3.3, Docket No. 03-0009
- (2) UE Schedule C-12 2260/2744
- (3) UE WPC-3.10c
- (4) UE WPC-3.10w